

NONMERGER WARRANTY DEED IN LIEU OF FORECLOSURE

FLB Loan No. 181946-5

James D. Gordon

22
APR 2 1987

Until a change is requested,
all tax statements shall be
sent to the following address:

Farm Credit Services - Klamath
Falls
900 Klamath Avenue
P. O. Box 148
Klamath Falls, Oregon 97601

THIS DEED, made this 20th day of March, 1987,
between James D. Gordon and Terry C. Gordon, husband and wife, the
Grantor, and THE FEDERAL LAND BANK OF SPOKANE, a corporation, whose
mailing address is West 601 First Avenue, TAF-C5, Spokane, Washington
99220, the Grantee,

WITNESSETH, that the Grantor, for and in consideration of the
covenants hereinafter contained and other good and valuable consider-
ation, does by these presents grant, convey and warrant, unto the
Grantee, and to its successors and assigns, forever, all the property
described below.

The NW1/4NW1/4 of Section 5, Township 41 South, Range 12
East of the Willamette Meridian: EXCEPTING therefrom the
parcel conveyed by deed from Marion E. Monfore, et ux., to
Shasta View Irrigation District dated June 9, 1950, record-
ed June 12, 1950, in Deed Volume 239 page 398, records of
Klamath County, Oregon, which excepted parcel is more par-
ticularly described as follows: Beginning at the Northeast
corner of the NW1/4NW1/4 of Section 5, Township 41 South,
Range 12 East of the Willamette Meridian, and running
thence South along the East line of the said NW1/4NW1/4 of
Section 5, Township 41 South, Range 12 East of the Willa-
mette Meridian, 379.1 feet to the true point of beginning;
as above described and continuing thence South along the
said East line of the NW1/4NW1/4 of Section 5, Township 41
South, Range 12 East of the Willamette Meridian 594.1 feet
to a point; thence North 67°06' West 100 feet to a point;
thence North 1°48' West 541.3 feet to a point; thence North
76°34' East to the true point of beginning.

ALL SITUATE IN County of Klamath, State of Oregon, subject
to: Rights of way and easements for roads, utilities and
irrigation ditches as same exist or appear of record; un-
paid real property taxes; mortgage to Grantee dated Janu-
ary 18, 1980 and recorded January 25, 1980.

TOGETHER WITH all water and water rights of every kind and
description and however evidenced used upon or appurtenant
to said property, which, in any manner, entitles Grantor to
water.

TOGETHER WITH any and all tenements, hereditaments, ease-
ments, rights, privileges and appurtenances thereunto be-
longing or used in connection therewith, and the rever-
sions, remainders, rents, issues and profits thereof. **SUBJECT TO**
reservations and restrictions of record, easements and rights of way of record and those
apparent on the land, contracts and/or liens for irrigation and/or drainage. **J.G.**
TO HAVE AND TO HOLD, all and singular, the said property, to-
gether with the appurtenances, unto the said Grantee, and to its
successors and assigns forever. Grantor covenants with Grantee that
the former is now seized in fee simple of the property granted; that
the latter shall enjoy the same without any lawful disturbance; that

the same is free from all encumbrances (except those set forth above); that Grantor and all persons acquiring any interest in the same through or for them will, on demand, execute and deliver to Grantee at the expense of the latter, any further assurance of the same that may be reasonably required; and that Grantor will warrant to Grantee all of the said property against every person lawfully claiming the same, except those claiming under the above exceptions.

This deed is absolute in effect and conveys fee simple title of the property above described to the Grantee and does not operate as a mortgage, trust conveyance, or security of any kind.

The acceptance of this conveyance by Grantee is conditioned upon there being no liens against the property, except for those set forth above.

This deed does not effect a merger of the fee ownership and the lien of the mortgage described herein. The fee and lien shall hereafter remain separate and distinct. It is not the intent of the parties to affect the subrogation rights of any third parties.

The true and actual consideration for this conveyance is that by acceptance of this deed, Grantee covenants and agrees that it shall not enforce any judgment against Grantor for the indebtedness evidenced by the promissory note secured by that certain mortgage executed by James D. Gordon and Terry C. Gordon, husband and wife, to The Federal Land Bank of Spokane, dated January 18, 1980, recorded January 25, 1980, in Volume M80, page 1639, Records of Klamath County, Oregon. This deed shall not operate to preclude Grantee from proceeding in any action to enforce the mortgage, but shall preclude Grantee from obtaining a deficiency judgment against Grantor.

Grantor does hereby waive, surrender, convey, and relinquish any equity of redemption and statutory rights of redemption concerning the property and mortgage described above.

Possession of the property is hereby surrendered and delivered to Grantee.

Grantor declares that this conveyance is freely and fairly made, and that there are no agreements, oral or written, other than this deed between Grantor and Grantee with respect to said property.

Grantor is not acting under any misapprehension as to the legal effect of this deed, nor under any duress, undue influence, or misrepresentation of Grantee, its agent, or attorney, or any other person.

IN WITNESS WHEREOF, the Grantor has hereunto set their hands the day and year first above written.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

James D. Gordon
James D. Gordon

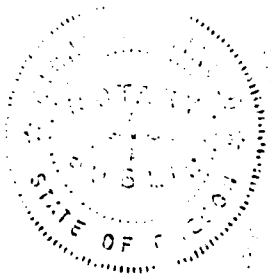
Terry C. Gordon
Terry C. Gordon

5454

STATE OF OREGON)
 County of Klamath) : SS.

On this 20th day of March, 1987, before me the undersigned, a Notary Public for the State of Oregon, personally appeared James D. Gordon, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same as his free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

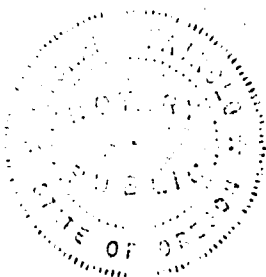


[Signature]
 Notary Public for the State of Oregon.
 Residing at: Klamath Falls, OR
 My commission expires: 2/15/88

STATE OF OREGON)
 County of Klamath) : SS.

On this 20th day of March, 1987, before me the undersigned, a Notary Public for the State of Oregon, personally appeared Terry C. Gordon, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same as her free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



[Signature]
 Notary Public for the State of Oregon.
 Residing at: Klamath Falls
 My commission expires: 3/15/88

ESTOPPEL AFFIDAVIT
 James D. Gordon
 FLB Loan No. 181946-5

STATE OF OREGON)
 Klamath)
 COUNTY OF) ss.

James D. Gordon and Terry C. Gordon, husband and wife, being first duly sworn, depose and say: That they are the identical parties who made, executed, and delivered that certain Deed to The Federal Land Bank of Spokane, a corporation, as Grantee, dated the 20th of March, 1987, conveying the property SITUATE IN County of Klamath, State of Oregon, and more particularly described in said Deed.

That the Deed was intended to be and was an absolute conveyance of the title to the property to the Grantee named therein and was not and is not now intended as a mortgage, trust conveyance, or security agreement of any kind; that it was the intention of affiants to convey, and that they did convey, to the Grantee all of their right, title, and interest absolutely in and to the property; and that possession of the property has been surrendered to the Grantee.

That in the execution and delivery of the Deed the affiants acted freely and voluntarily and not under coercion, or duress or any misapprehension as to the legal effect thereof.

That the Deed was not given as a preference against any other creditors of the affiants; that at the time it was given there was no person, firm or corporation, other than the Grantee therein named, having an interest either directly or indirectly in the property; that the affiants are solvent and have no other creditors whose rights would be prejudiced by such conveyance; and that the affiants are not obligated upon any bond or other mortgage whereby any lien has been created or exists against the property.

That the consideration for said Deed is Grantee's covenant that it shall not enforce any judgment against Grantor(s) by obtaining a deficiency judgment against them, on the promissory note secured by the following described mortgage: Mortgage by James D. Gordon and Terry C. Gordon, husband and wife, mortgagors, to The Federal Land Bank of Spokane, a corporation, as mortgagee, dated the 18th day of January, 1980, and recorded on January 25, 1980, in Volume M80, Page 1639, in the official records of Klamath County, State of Oregon. At the time of making said Deed affiants believed and now believe that the aforesaid consideration therefor represents the fair value of the property so deeded.

That prior to the execution of the Deed and this Affidavit, the affiants consulted with experts or other sources of their own selection, including their attorney, in order that the affiants might exercise their own judgment in deciding whether to execute the Deed.

That this affidavit is made for the protection and benefit of the Grantee in said Deed, its successors and assigns, and all other parties hereafter dealing with or who may acquire an interest in the property.

That the affiants will testify, declare, depose, or certify in open court or by deposition, before or by written statements to the truth of the particular facts set forth above, in any case now pending or which may be instituted.

5456

James D. Gordon
James D. Gordon

Terry C. Gordon
Terry C. Gordon

STATE OF OREGON)
County of Klamath) : SS.

On this 20th day of March, 1987, before me the undersigned, a Notary Public for the State of Oregon, personally appeared James D. Gordon, known to me to be the person who subscribed and swore to the within instrument and acknowledged to me that he executed the same as his free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

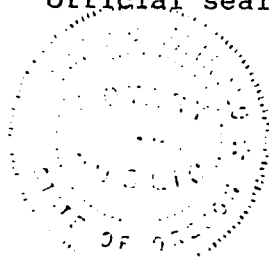


Robert F. Funder
Notary Public for the State of Oregon.
Residing at: Klamath Falls, OR.
My commission expires: 3/15/88

STATE OF OREGON)
County of Klamath) : SS.

On this 20th day of March, 1987, before me the undersigned, a Notary Public for the State of Oregon, personally appeared Terry C. Gordon, known to me to be the person who subscribed and swore to the within instrument and acknowledged to me that she executed the same as her free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Robert F. Funder
Notary Public for the State of Oregon.
Residing at: Klamath Falls
My commission expires: 3/15/88

Return to: Farm Credit Services
900 Klamath Avenue
Klamath Falls, Oregon 97601

STATE OF OREGON, ss.
County of Klamath

Filed for record at request of:

Klamath County Title Company

on this 2nd day of April A.D., 19 87
at 11:22 o'clock A M. and duly recorded
in Vol. M87 of Deeds Page 5452

Evelyn Biehn, County Clerk

By Sam Smith

Deputy.